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FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC PRIORITY 2628
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY
RUCNCIS/CIS COLLECTIVE PRIORITY
RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHAK/AMEMBASSY ANKARA PRIORITY 5062
RUEHBJ/AMEMBASSY BEIJING PRIORITY 2815
RUEHKO/AMEMBASSY TOKYO PRIORITY 2680
RUEHIT/AMCONSUL ISTANBUL PRIORITY 3306
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
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RHEHNSC/NSC WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 000462

SIPDIS

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ENERGY FOR EKIMOFF/THOMPSON
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E.O. 12958: DECL: 04/10/2019

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SUBJECT: TURKMENISTAN: GAZPROM AND TURKMEN GOVERNMENT BLAME
EACH OTHER FOR APRIL 9 PIPELINE EXPLOSION

Classified By: Deputy Chief of Mission Sylvia Reed Curran for reasons 1
.4 (b) and (d).

11. (C) SUMMARY: Gazprom and Turkmen officials have begun an all-out press war over who is to blame for the explosion that likely damaged three of four lines delivering gas to Russia on April 9. While Gazprom officials are publicly stating that they notified the Turkmen government of their intention to reduce the flow of gas going to Russia, Turkmen officials are rebuffing Gazprom's media assault, and issued a press statement of their own that claims Gazprom did not notify the Turkmen government and by doing so had violated the terms of the bilateral gas agreement and put people in danger. It is uncertain whether gas is now flowing or not, but it is possible that some gas is flowing through the one undamaged pipeline. It may be that both Gazprom and Turkmen authorities are to blame for the accident, and both will ultimately suffer as a result of it. Gazprom officials are here now, seeking price adjustments right in the middle of this kerfuffle, and Turkmen officials can expect the ax to fall on some of them soon when the president starts the blame game. END SUMMARY.

12. (C) Late on April 9, Russian press and television, quoting Gazprom officials, reported that the supply of gas coming from Turkmenistan had come to a stop due to an explosion that took place on the Central Asia Center-3 pipeline in Turkmenistan close to the border with Uzbekistan. Press also reported that it happened on the Dovletabad-Daryalyk stretch of the CAC that Turkmen Gas operates. EU TACIS program manager Michael Wilson told poloff April 10 that his sources inside the Turkmen government confirmed an explosion had occurred early Thursday morning on one of the four pipelines that together comprise the CAC-3. TACIS was to have hosted a pipeline security seminar with participants who were pulled away by the accident. He also confirmed Turkmen press reports that Gazprom subsidiary GazExport, which manages the pipeline's supply outside of Turkmenistan, had reduced the quantity of

gas it was receiving from Turkmenistan, while Turkmen Gas continued to send the same quantity it had been sending into the pipeline.

¶13. (C) Wilson said that on the evening of April 8, one of the pipelines developed a rupture due to excessive pressure caused by the difference in sending and receiving pressures, and began leaking gas. He said Deputy Chairman for Oil and Gas Tagiyev, other officials, and a group of technicians flew to Turkmenabat Wednesday night to personally and immediately tend to the repair. After midnight, as the technicians were repairing the line, something caused the leaking gas to ignite, causing an explosion that resulted in damage to three of the four lines. There is no information regarding the number of casualties. Nevertheless, Russian press and an Oil and Gas Ministry source said that Turkmen technicians would complete the repairs in about three days. Gazprom officials supplied a variety of contradictory facts to the press, at one point reporting that the flow of gas had been totally suspended, and later indicating that three of the four lines were operating, and the number of damaged lines varied from one to four.

¶14. (C) As of April 10, the accident has developed into a significant blowout for the Turkmen and Russians. Gazprom has squarely laid the blame on Turkmen officials, who Gazprom claims ignored their notifications that the level of gas received from Turkmenistan would decline. The Turkmen government, for its part, issued a press statement late April 9 claiming that GazExport failed to notify the Turkmen that

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it would significantly reduce the volume of gas it takes. The Turkmen government stated that GazExport's actions caused the pipeline to rupture, and described the company's actions as "rash and irresponsible," adding that they had endangered peoples' lives. Further, the Turkmen government accused GazExport of violating the provisions of the bilateral gas contract. Russian press reported GazExport Vice President Ilya Kochevrin claimed his company had documentation proving that it had notified the Turkmen government of the volume reduction.

¶15. (C) A Pol/Econ staffer with contacts in the Oil and Gas Ministry said that Ministry officials reiterated the claim that Russia had reduced its import volume from Turkmenistan without negotiating it with the Turkmen government. The Oil and Gas Ministry representative confirmed that Gazprom Deputy Chairman Valery Golubev arrived in Ashgabat on April 9 to re-negotiate gas prices with Turkmen officials, and the representative said there is suspicion in the Ministry that Gazprom somehow facilitated the accident in order to pressure the Turkmen government to reduce its gas prices at this time, three months before prices were to be reconsidered, per the bilateral agreement. (NOTE: Russian press in late March reported that Gazprom representatives would come to Ashgabat for meetings on April 9 and 10, long before the accident occurred. END NOTE.)

¶16. (C) COMMENT: As always, the truth in this story probably lies somewhere in the middle. Gazprom officials could have become frustrated with Turkmen intransigence on supply and pricing questions and unilaterally reduced the supply of Turkmen gas going to Russia. Alternatively, the Russian notification could have become lost in the paralyzing bureaucracy of the Turkmen government, and Turkmen officials are now scrambling to preserve their own hides when the blame game moves to the presidential level. Regardless, the arrival of Gazprom officials in Turkmenistan at this particular point of time guarantees that they will get more than a cold reception--they could get their heads handed to them. END COMMENT.

MILES